

## § 925.7

institution also must have mortgage-related assets that reflect a commitment to housing finance, as determined by the Bank in its discretion.

(d) *Ineligibility.* Except as otherwise provided in this part, if an applicant does not satisfy the requirements of this part, the applicant is ineligible for membership.

[61 FR 42545, Aug. 16, 1996, as amended at 65 FR 13870, Mar. 15, 2000; 70 FR 9510, Feb. 28, 2005]

## § 925.7 Duly organized requirement.

An applicant shall be deemed to be duly organized as required by section 4(a)(1)(A) of the Act (12 U.S.C. 1424(a)(1)(A)) and § 925.6(a)(1) of this part, if it is chartered by a state or federal agency as a building and loan association, savings and loan association, cooperative bank, homestead association, insurance company, savings bank or insured depository institution.

[61 FR 42545, Aug. 16, 1996, as amended at 65 FR 8261, Feb. 18, 2000; 67 FR 12848, Mar. 20, 2002; 70 FR 9510, Feb. 28, 2005]

## § 925.8 Subject to inspection and regulation requirement.

An applicant shall be deemed to be subject to inspection and regulation as required by section 4(a)(1)(B) of the Act (12 U.S.C. 1424(a)(1)(B)) and § 925.6(a)(2) of this part, if, in the case of a depository institution applicant, it is subject to inspection and regulation by the FDIC, FRB, NCUA, OCC, OTS, or other appropriate state regulator, and, in the case of an insurance company applicant, it is subject to inspection and regulation by an appropriate state regulator accredited by the National Association of Insurance Commissioners.

[61 FR 42545, Aug. 16, 1996, as amended at 65 FR 8261, Feb. 18, 2000; 67 FR 12848, Mar. 20, 2002; 70 FR 9510, Feb. 28, 2005]

## § 925.9 Makes long-term home mortgage loans requirement.

An applicant shall be deemed to make long-term home mortgage loans as required by section 4(a)(1)(C) of the Act (12 U.S.C. 1424(a)(1)(C)) and § 925.6(a)(3) of this part, if, based on the applicant's most recent regulatory financial report filed with its appropriate regulator, the applicant origi-

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nates or purchases long-term home mortgage loans.

[61 FR 42545, Aug. 16, 1996, as amended at 63 FR 40023, July 27, 1998; 65 FR 8261, Feb. 18, 2000; 67 FR 12848, Mar. 20, 2002; 70 FR 9510, Feb. 28, 2005]

## § 925.10 10 percent requirement for certain insured depository institution applicants.

An insured depository institution applicant that is subject to the 10 percent requirement of section 4(a)(2)(A) of the Act (12 U.S.C. 1424(a)(2)(A)) and section 925.6(b) of this part, shall be deemed to be in compliance with such requirement if, based on the applicant's most recent regulatory financial report filed with its appropriate regulator, the applicant has at least 10 percent of its total assets in residential mortgage loans, except that any assets used to secure mortgage debt securities as described in paragraph (6) of the definition of "residential mortgage loan" set forth in § 925.1 of this part shall not be used to meet this requirement.

[65 FR 13870, Mar. 15, 2000, as amended at 67 FR 12848, Mar. 20, 2002]

## § 925.11 Financial condition requirement for applicants other than insurance companies.

(a) *Review requirement.* In determining whether an applicant other than an insurance company has complied with the financial condition requirement of section 4(a)(2)(B) of the Act (12 U.S.C. 1424(a)(2)(B)) and § 925.6(a)(4) of this part, the Bank shall obtain as a part of the membership application and review each of the following documents:

(1) *Regulatory financial reports.* The regulatory financial reports filed by the applicant with its appropriate regulator for the last six calendar quarters and three year-ends preceding the date the Bank receives the application;

(2) *Financial statement.* In order of preference: the most recent independent audit of the applicant conducted in accordance with generally accepted auditing standards by a certified public accounting firm which submits a report on the applicant; the most recent independent audit of the applicant's parent holding company